GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1781
ANSWERED ON:04.12.2006
INDEBTNESS AMONG FARMERS
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Will the Minister of AGRICULTURE be pleased to state:

(a) Whether excessive mechanization of farms have reduced the labour absorption capacity leading to severe implications for poverty;

(b) If so, the details thereof and reaction of the Government thereto ;

(c) The number of farm households under debt, State-wise; and

(d) The steps taken/proposed to be taken by the Government to save the farmers from the debt by informing them to avail credit schemes from the banks?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a)&(b) : Mechanization is necessary for adoption of new technology and to carry out farm operations timely and precisely and to economize agricultural production and value addition processes. The present level of mechanization has been estimated at

1.50 kilowatt per hectare in 2005-06 in the country whereas the optimal requirement as per report of ICAR is 2 kilowatt per hectare.The study conducted by NABARD during 1996-97 reveals additional annual employment generation of 189 man days per tractor and 170 man days per power tiller . The Census of India -2001 indicates an increase in number of agricultural workers from 210.5 million in 1991 to 234.0 million in 2001.

(c) : A statement is annexed.

(d) : A comprehensive credit policy has been announced by the Government on 18th June, 2004. This policy has been implemented from 2004-05.

The highlights of the policy are :-

Credit flow to agriculture sector to increase @ 30% per year.

Debt restructuring in respect of farmers in distress and in arrears making all farmers eligible for fresh credit.

Special one time settlement scheme for settling the old and chronic loan accounts of small and marginal farmers.

Banks allowed to finance for redeeming the loans taken by farmers from private moneylenders.

Commercial Banks to finance @ 100 farmers/ branch; 50 lakh new farmers to be financed by the banks in a year.

New investments in agriculture and allied activities @ 2 to 3 projects/ branch.

Refinements in Kisan Credit Cards (KCC) and fixation of scale of finance.

During 2006-07 a target of agriculture credit flow has been fixed at Rs. 1,75,000/- crore and achievement till September, 2006 has been Rs. 94,345.54 crore which is 53.91% of the target.

During 2006-07 about 23.31 lakh new farmers have been financed by the Public Sector Commercial Banks (PSCBs) and 2.05 lakh new farmers by the Private Sector Commercial Banks. Besides, Regional Rural Banks (RRBs) have financed 8.71 lakh new farmers during the year. In addition, the Cooperative Banks have financed 6.97 lakh new farmers during the year. Thus 41.04 lakh new farmers have been financed by the banking system during the year.

An amount of Rs.4520.77 crore has been provided as debt relief to the farmers in distress, farmers in arrears and under One Time Settlement (OTS), till September, 2006 during 2006-07.

PSCBs have provided Rs. 26.57 crore as advances to 4120 farmers to enable them to redeem their debts from money lenders. The

corresponding figures for Cooperative Banks and RRBs are Rs. 7.85 crore (5514 accounts) and Rs. 3.85 crore (1633 accounts), respectively.

ANNEXURE

Statement with reference to Part (c) of Lok Sabha Unstarred Question No.1781 for 4.12.2006

Sl.No.	Name of the State	Estimated number of indebted Farmer Households (in hundreds)
1.	Andhra Pradesh	49493
2.	Arunachal Pradesh	72
3.	Assam	4536
4.	Bihar	23383
5.	Chhattisgarh	11092
6.	Gujarat	19644
7	Haryana	10330
8.	Himachal Pradesh	3030
9.	Jammu & Kashmir	3003
10	Jharkhand-	5893
11.	Karnataka-	24897
12.	Kerala	14126
13.	Madhya Pradesh	32110
14.	Maharashtra	36098
15.	Manipur -	533
16.	Meghalaya	103
17.	Mizoram -	184
18.	Nagaland -	294
19.	Orissa	20250
20.	Punjab	12069
21.	Rajasthan -	27828
22.	Sikkim	174
23.	Tamil Nadu	28954
24.	Tripura	1148
25.	Uttar Pradesh	69199
26.	Uttaranchal	644
27.	West Bengal	34696
28.	UTs	372
29.	All India	- - 434242

Source : Agricultural Statistics At A Glance 2005.